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HONGKONG TELEGRAPH,
For and on behalf of
SOUTH CHINA MORNING POST, LTD.

TODAY'S WEATHER: Moderate Easterly winds; cloudy.
Noon Observations: Barometric pressure, 1010.4 mbs., 30.10".
In. Temperature, 72.5 deg. F. Dew point, 61 deg. F. Relative
humidity, 66. Wind direction, East. Wind force, 18 knots.
Low water: 2 ft. 6 in. at 6 p.m. High water: 5 ft. 4 in. at
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VOL. IV NO. 52

FRIDAY, MARCH 4, 1949.

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Soldiers Slaughter Railway Workers

S. HUNAN RIOT

Canton, Mar. 4.—Seven employees of the Canton-Hankow railway were brutally killed yesterday afternoon by wounded soldiers at Chenchow, South Hunan, near Kwangtung.

Nearly 1,000 soldiers rioted after attempts to seize a cow on a cattle train were resisted.

The soldiers, from nearby military hospitals, seized the cow, saying it was sick and should provide food for wounded soldiers. The owners of the cattle refused to hand over the cow and resisted its seizure.

Then the soldiers turned on the railway guards and other employees and accused them of aiding the owners of the cow.

The authorities were helpless during the riot and seven employees were slaughtered.

The Chenchow railway station was smashed completely and then looted.

All train service on the trunk line linking South China with the Yangtse River was suspended. The employees refused to work until the murderers were arrested and protection given against future outbreaks.—Associated Press.

C-47 CRASHES

Del Rio, Texas, Mar. 3.—A C-47 plane, missing for several days while on a flight from California to San Antonio, Texas, crashed in the Colorado Mountains, killing nine servicemen, the police reported here today.

Among the killed was Major Lucian Youngblood, who took part in the first bombing raid on Japan.—Reuter.

Lorry Overturns

Athens, Mar. 3.—A Greek military lorry carrying forty gendarmes overturned near Corinth today killing nine and injuring the other occupants.—Associated Press.

EDITORIAL

Final Blow To Prestige

DEFECTION of the officers and crew of the Chinese warship Chungking constitutes a final blow to all but lost prestige of the Nationalist Government. For the Chungking, originally sailed the warship from Britain to their home-port of Shanghai has had to give way to bitter disillusionment. A Reuter version sums it thus: "In Shanghai, with all links with Britain and the outside world finally broken, the regime of the Chinese Navy swiftly began to assert itself, with the result that the standard of the Royal Navy were speedily supplanted by the home brand. The shock generated by this reversal of the standard, evidenced in the lowered incomes, the lowered rations, the cheap uniforms, provoked such widespread dismay, that more than half the men realised the futility of their two years spent in England to learn the British naval code which had been dumped overboard the first thing on their return." This is a grave indictment of the Chinese Nationalist Navy and one of the saddest sequels imaginable to a splendid idea. When the Chungking arrived in Hongkong last August on the final leg of her triumphant trip from England, the Colony was stirred and impressed by the smart bearing and obvious efficiency of the ship's company. The men and the ship reflected credit, not only on themselves, but on the British Navy which had trained them with such enthusiasm for two years, and Hongkong believed that at last her great neighbour was

RESIGNS



Commons Debates Britain's Defence Budget

WEST EUROPEAN PACT COMMITMENTS

Tactical Problems Being Studied

London, Mar. 3.—The Western Union organisation under Field Marshal Viscount Montgomery was studying the tactical problems of West European defence and "preparing plans for action in any sudden emergency," Mr A. V. Alexander, the Minister of Defence, told Parliament today:

"Its work," he said, "is a clear indication of our will and purpose to stand four square to the difficulties of the present international situation."

Mr Alexander was opening a debate on the Government statement on defence which accompanied the Defence Budget last month. This Budget provides for an expenditure of £759,860,000 for the year 1949-50—an increase of £107,500,000 above the current year.

The total strength of Britain's armed forces—793,000 on April 1 this year—is to be reduced to 750,000 by April, 1950.

The Government statement explained that the increased expenditure, despite the decrease in the numbers, was due to the increased rates of pay, the increased cost of equipment, the administration of occupied territories and the necessity for sending abroad extra forces to reinforce local security measures.

It said that the 1949-50 production programme was the minimum necessary to cover the maintenance requirements and allowed for a modest instalment of modernisation.

The debate was on a Government motion, asking for approval of the defence statement. The statement had disappointed the Opposition, which decided to challenge the adequacy of the Government's defence policy by putting down an amendment, complaining that the country was not getting sufficient value for its money.

CONSIDERABLE PROGRESS

Of the three meetings of the Defence Ministers of the five Western Union countries of Europe, Mr Alexander declared: "We have made considerable progress. The Western Union Military Supply Board has made a comprehensive review of the defence production capacity of each of the five countries.

"It is today arranging for the equipment of the new defence forces of the Western Union."

Meteor or Vampire jet fighters were already being supplied to France, Belgium and Holland.

Arrangements were well advanced for the manufacture of

these aircraft under licence in those countries.

Further supplies would be made available during 1949.

Mr Alexander declared that while Russia maintained her "veto of peace and security" Britain must carry her full share of the defence burden of the free peoples of the world.

Mr Alexander said: "It had always been Britain's belief that she must act collectively. It is quite impossible to think in the world as it is today, that you can plan to secure the defence of one country alone, effectively," he said.

ATLANTIC PACT

Mr Alexander said he could not say much at this stage about the North Atlantic Pact. The nations now taking part in the discussions had between them a large proportion of the world's industrial resources and more than 250 million people.

Their clear unity of aim and the fact that such an agreement should be under negotiation at all were most significant.

After the pact was signed, discussions were bound to follow about the distribution of responsibility. These discussions would affect British defence.

He gave an assurance that Britain had adequate quantities of the most important items of equipment which take a long time to manufacture. The shortage of these items in the last war was the main brake on the speed with which the fighting power could be deployed.

Nevertheless, difficulties existed. It would be a false policy to produce weapons or vehicles now when marked superior types might perhaps be developed in the near future.

MUST LOOK AHEAD

He added: "But we must look further ahead. The equipment we hope to have when our present projects begin to bear fruit will, in most fields, represent an outstanding advance on what we have now."

"Before ourselves and before the rest of the world, we can be clear that our defence measures have no aggressive purpose," Mr Alexander concluded.

"We regret this necessity, but our duty is clear. But so long as Russia maintains her veto on peace and security, so long shall we have to be prepared to carry whatever burden

(Continued on Page 8)

BOY TO GROW EARS IN HIS STOMACH

Pittsburgh, Mar. 3.—Eight-year-old Jimmy Meadors of Hartland, Pennsylvania, is going to grow a pair of ears in his stomach.

Jimmy was born without ears. Now doctors are going to provide what nature forgot.

He is to undergo a series of six to eight operations in the Children's Hospital, Dr S. M. Dupertuis, a plastic surgeon, is in charge. The process will take two years.

A cartilage will be removed from Jimmy's ribs and moulded into the shape of ears. The "ears" will then be placed in the boy's abdominal cavity for a period of time to foster tissue growth.

Later, they will be transplanted to the head where they will function as real "live" ears.

Jimmy can hear normally now despite the lack of ear openings on either side of his head. Doctors say he has normal auditory canals and ear drums.—Associated Press.

Tribesmen On The War Path

PEOPLE FLEE IN TERROR

Cuttack, India, Mar. 3.—"Bow-and-arrow" tribesmen, on the war path against the Orissa Government, blocked the only road winding through the Mayurbhanj Hills and brought police pursuers to a pitch battle, it was made known here today.

They ambushed and destroyed a jeep and hacked to death a retired forestry officer who was driving it. Ten people were killed and several injured.

The war-like aboriginal hillmen, who object to their princely State being merged with Orissa Province, forced 2,000 people to flee in terror from the heights to the safety of the towns.

They want Mayurbhanj merged with adjacent Bihar Province instead of Orissa.

EARLIER FIGHTING

The aboriginal tribesmen—the Adibasi, who inhabit the hill tracts of Mayurbhanj—began their "war" against the Orissa Government early in January when Orissa took over the administration of the area.

In a clash in February, 13 people were killed. Police reinforcements were rushed up to the hills when the news came that the forestry officer had been murdered and that a passenger bus had been halted and forced to return.

Thousands of the tribesmen threw up barriers before the advancing police. After the battle, they dispersed into their native hills.

Before India won Independence, Mayurbhanj was one of the 42 States in the Eastern States Agency. It has an area of more than 4,000 square miles and a population of about 900,000. The ancient Bhanja Kingdom covered a considerable part of Orissa.—Reuter.

"Blockaded" Russians Ordered Back To The Soviet Zone

London, Mar. 3.—The Soviet Repatriation Mission, "blockaded" by the Americans in their headquarters in Frankfurt, were tonight ordered by the Russian authorities to return to the Soviet Zone, the Soviet-controlled Berlin Radio reported.

The Radio added that Russia "had been forced" to cancel the permit for the United States branch group in the Soviet Zone of Germany.

The broadcast added that Colonel Lazarev, chief of the Soviet Military Mission with the United States Supreme Command, had informed the American authorities of this

is to the United Nations General Assembly resolution that no refugees should be compelled to return to their homelands.

Referring to a statement in the Soviet note that Americans had been repatriated quickly by the Soviet authorities, it declared: "The Soviet Government is aware of this Government's profound dissatisfaction with the progress of the repatriation of American citizens within the Soviet Union."

Colonel Lazarev condemned the "provocative forced measures" adopted by the Americans when the Repatriation Mission rejected their order to leave Frankfurt. He said that by "clamping down a hunger blockade on the Soviet Mission and the cutting off of water, power and gas," the Americans had broken the repatriation agreement as well as the laws of humanity and international agreements.

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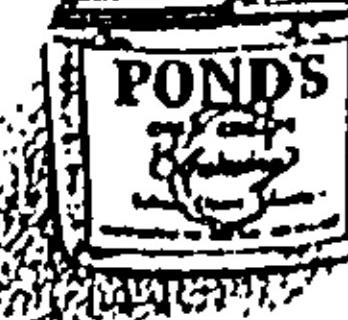


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ORDERS BOOKED...

WOMANSENSE

New Bonnets Linked With Hair Styles

By Victoria Chappelle

HAIR-STYLES in Britain are now so linked with hats that most of the newest shapes hug the head closely. The reason for this, of course, is that nothing else suits so well the chrysanthemum type haircut which shows the hair flattened to the top of the head and brushed into curls round or above the forehead, over the ears and above the neck. There are variations of this, just as there are deviations of the close-fitting hat, but this, is the main 1949 line.

Not every woman, nevertheless, can wear a hat which is a mixture of bonnet and cloche, any more than she will look her best with this modern shingle, and where a more important line is needed, drapery is being subtly used. For instance, among their new Spring hats, Pissot and Pavé show an interesting type of turban bonnet which gives width to the face, not only by means of draped wings, but by the use of two colours and two materials—dead white crepe on one side which is also used for the thick roll forming the front of the hat, and crisp fuscia taffetas, used for the corresponding wing on the other side.

On the other hand, there are plenty of shaped which are bonnets, pure and simple. Some of these are not unlike the models of about 1930-40,

which were made of a mixture of bonnet and cloche, with more than the will look her best with this modern shingle, and where a more important line is needed, drapery is being subtly used. For instance, among their new Spring hats, Pissot and Pavé show an interesting type of turban bonnet which gives width to the face, not only by means of draped wings, but by the use of two colours and two materials—dead white crepe on one side which is also used for the thick roll forming the front of the hat, and crisp fuscia taffetas, used for the corresponding wing on the other side.

Apart from these, there are models which are slightly easier for the average woman to wear. For example Dorothy Carlton makes a fairly wide-brimmed felt hat turned up in front with a trimming of dazzling wings, beautifully shaded in lovely colour tones; this is important and elegant without being exaggerated.

The attraction of a hat of this kind lies, indeed, in the fineness of the felt and the delicate colourings as well as in the trimmings. Another new shape comes from Anne Thiarup, who also includes in his collection many types of the bonnet-cloche models with sugar-loaf crowns in interesting felts with a rough surface. These, he believes, are ideal for the older woman who needs dignity as well as colour in her hat, and he uses trimmings of striped ribbon, sometimes with matching flowers to give a Spring-like note.

An Anne Thiarup model in felt with slightly hairy surface; it has a sugar-loaf crown, narrow brim, and a trimming of striped ribbon finished with a couple of bows in front and flat roses to match.

Anger Thiarup model in felt with slightly hairy surface; it has a sugar-loaf crown, narrow brim, and a trimming of striped ribbon finished with a couple of bows in front and flat roses to match.

**PERIOD
FURNITURE
FOR BABY**

By ELIZABETH TOOMEY

NOW babies can do their early

snozing in a Chinese Chippendale crib, a canopied French provincial, number, or even a functional modern crib.

Nursery furniture to fit homes decorated in any period is the latest pint-sized furniture development in America.

The furniture, just put on display in New York, is painted in delicate shades, but patterned after grown-up ideas.

The Chinese Chippendale, painted a delicate blue, has insets of bamboo on the head and footboards of the crib. Another Chippendale nursery set in blond maple is upholstered in leatherette of blue, peach, grey and white stripes. The head and footboards, and the front of the wardrobe, have panels of the cushioned leatherette.

Choice of Shades

A French provincial nursery suite comes either in a wheat finish or a choice of pastel shades. A canopy of red and white tissue organza with a white eyelet ruffle covers the top of the crib in a wheat finish.

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WORLD NEWS IN PICTURES



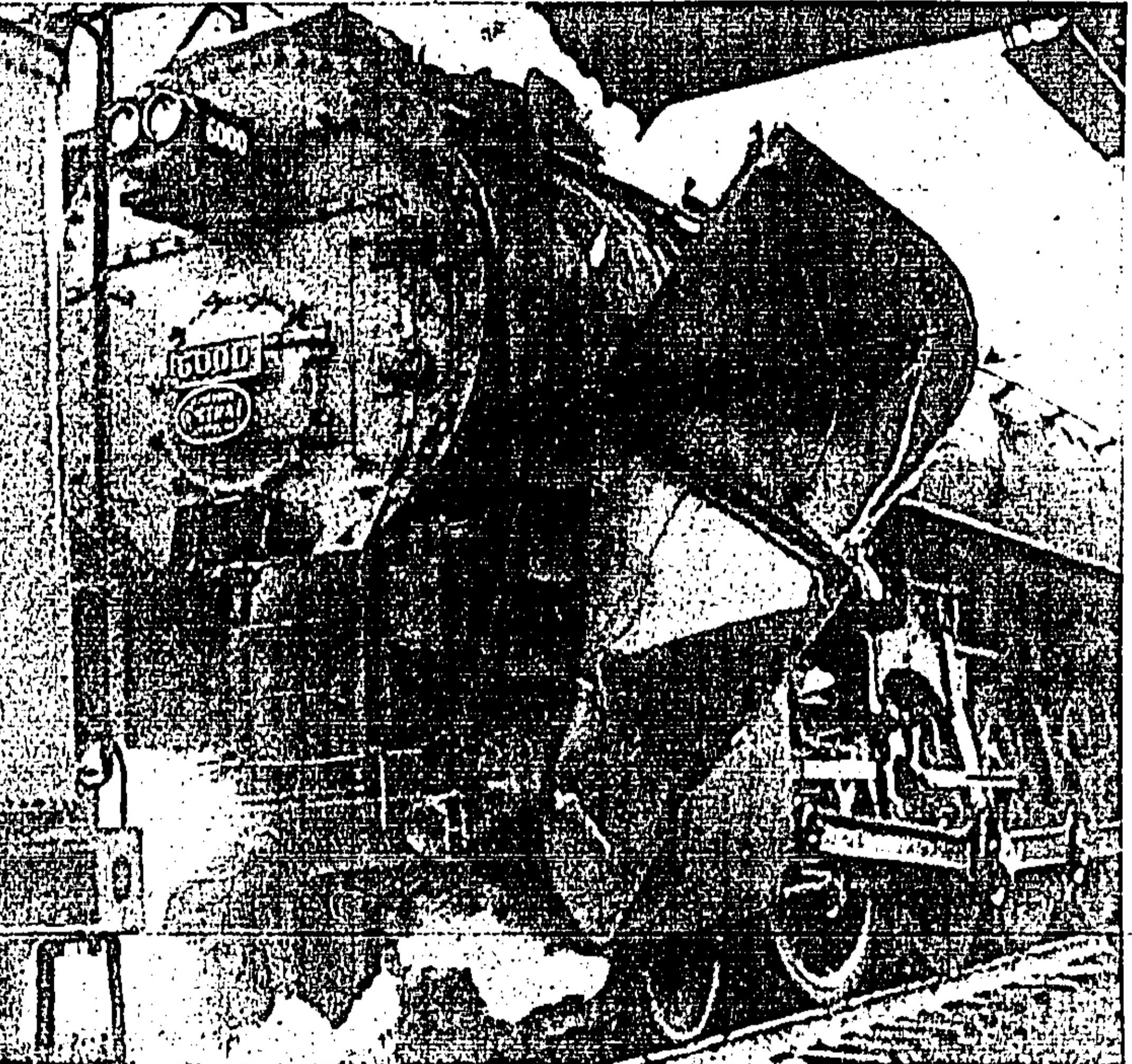
HOUDINI OF THE ANIMAL KINGDOM—Pokey, a Himalayan bear cub, has kept officials at the Fleischacker Zoo in San Francisco busy. First he jumped ship on his arrival from India. On the loose for 19 days in his latest escapade from the zoo, he finally succumbed to an alluring hunk of beef.



NEW RECORD—Officials of a New York radio corporation demonstrate a new record player and 45 revolutions per minute record. The flyweight plastic record plays five and one-quarter minutes of undistorted music and is only six and seven-eights inches wide.



AMERICAN DISASTER—Rescue party workers search the ruins of an American Skymaster near Garstang, Lancashire. Six persons, all U.S. military personnel, were killed when the plane crashed in flames. Though the fuselage remained comparatively intact, the wreckage was strewn over a large area.



CRIPPLED ENGINE—A damaged engine of the New York Central Lake Shore Limited arrives in Rochester under tow. It crashed into a derailed freight train near West Bergen, about 20 miles west of Rochester.



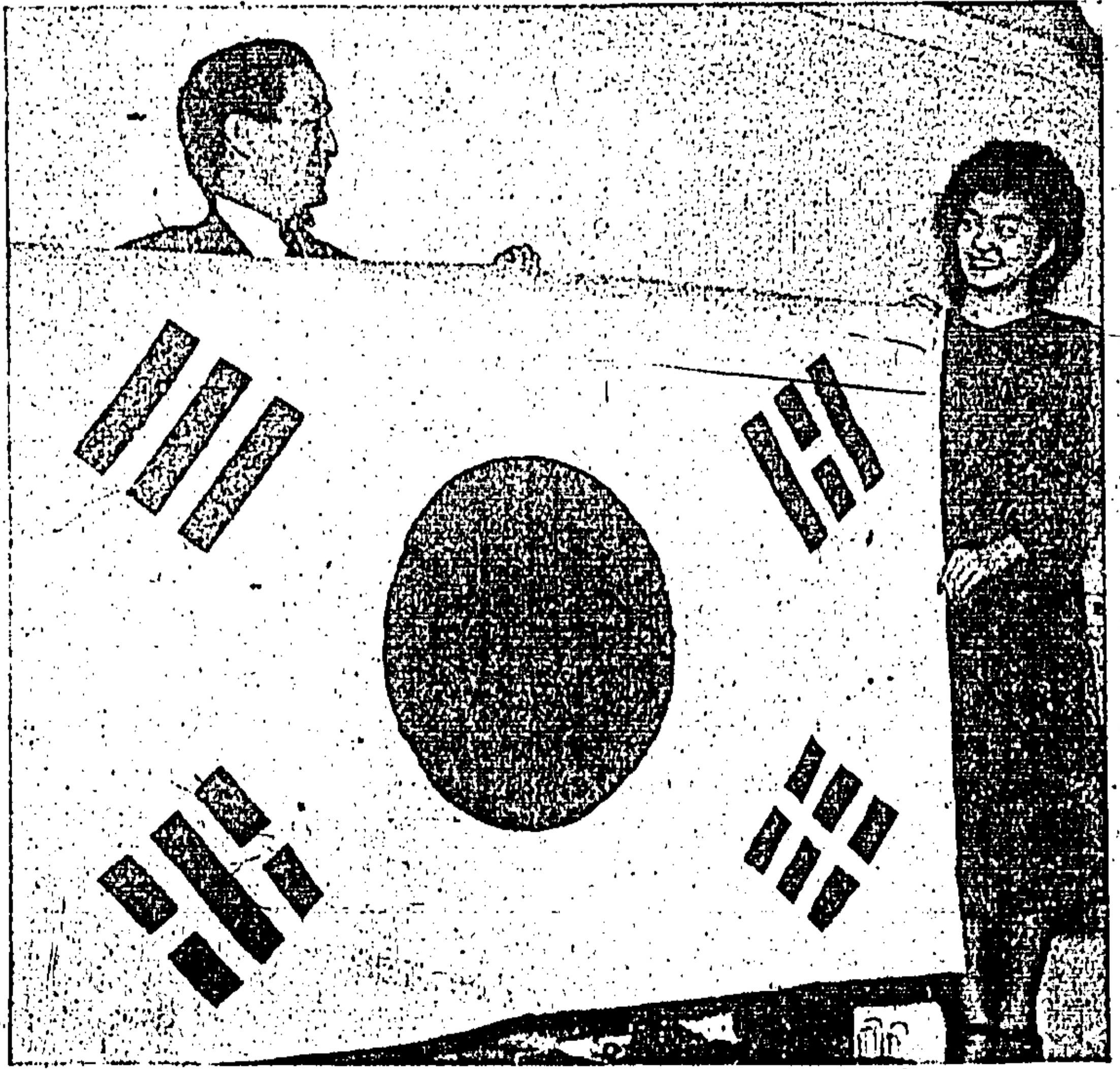
WHISTLE BAIT—Although Dorothy Lamour has discarded her sarong, she hasn't heard the last of that long, low whistle. This sequin-dotted strapless evening gown reveals her shapely legs.



HOME THEATRE—A New York store displays its idea of the living room of the television era. The six chairs can be used as sofas or rearranged in various positions. The curtain conceals a film screen.



MODERN PLOUGHING METHODS—This Russian farmer is operating an electric plough on the collective farm "Zarya," somewhere in Russia. The Russians are also adapting themselves to electric tractors and threshers.



FOR WASHINGTON EMBASSY—Col. Ben C. Lim, chairman of the Korean Commission to Washington, and Commission secretary, Ruth Hong, display the Korean flag which will fly over the Embassy. The United States recently extended full diplomatic recognition to the South Korea Republic.



LIFEGUARDS' DELIGHT—Starlet Gregg Sherwood has been crowned "Queen of the National Learn to Swim Month" by Palm Beach lifeguards.



TOP AIRWOMAN—Betty Skelton, 23, greets the earth with a smile as she climbs out of her plane in Miami after setting a new unofficial altitude record for light planes of 25,700 feet.

**TODAY'S
"HIT
COLOR"**

Tangee

GAY RED

The NEW Lipstick shade that gives you a lift!

NEW—**EXCITING**—yes—the most beautiful women in the world depend on Tangee, the world's finest lipstick! And Tangee GAY RED is just the color you need to step up your "lip-appeal". Beautiful women like Mrs. Adolphe Menjou, Mrs. Randolph Scott, to name a few, say GAY RED is the "hit color" of the year...

—because this exciting new shade really does make your lips look young and gay.
—because it gives you all the famous advantages of Tangee's exclusive Petal-Finish. Discover GAY RED today.

USE TANGEE AND SEE HOW BEAUTIFUL YOU CAN BE

SHOWING TO-DAY AT THE

KING'S & LEE

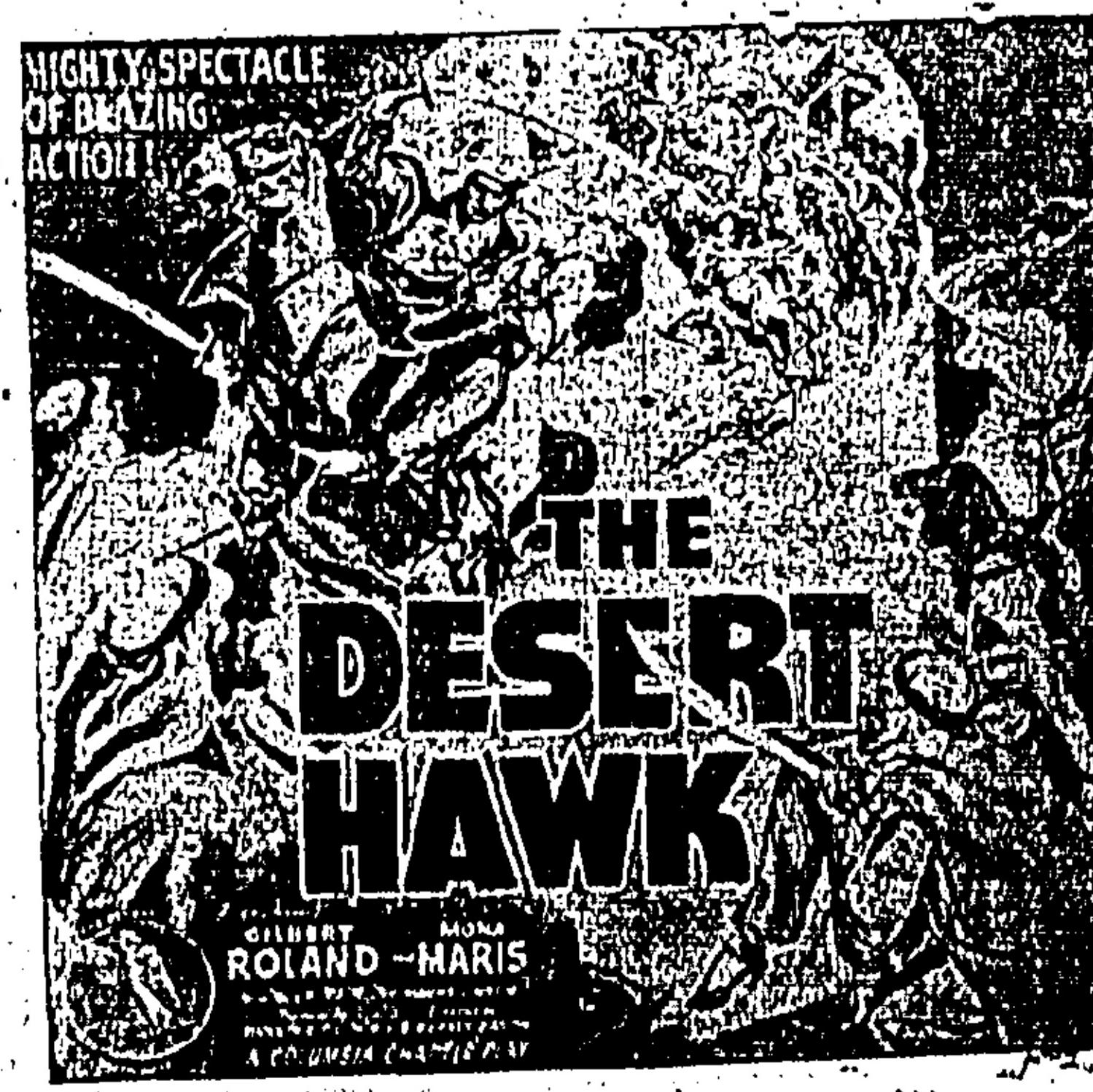
AT 2.30, 5.15, 7.15
and 9.30 P.M.At 2.30, 5.15, 7.15
and 9.30 P.M.SAIL AWAY TODAY
on the song-happiest, love-happiest,
girl-happiest joy cruise in history!JACK CARSON
JOAN PAIGE
DON DORE
and DORIS DAY

THE MUSICAL

ROMANCE ON
THE HIGH SEAS
MICHAEL CURTIZ PRODUCTION
COLOR BY FORTUNO BOHANOVA
Technicolor!
Directed by MICHAEL CURTIZORIENTAL
THE GENTLEMEN'S CLUB

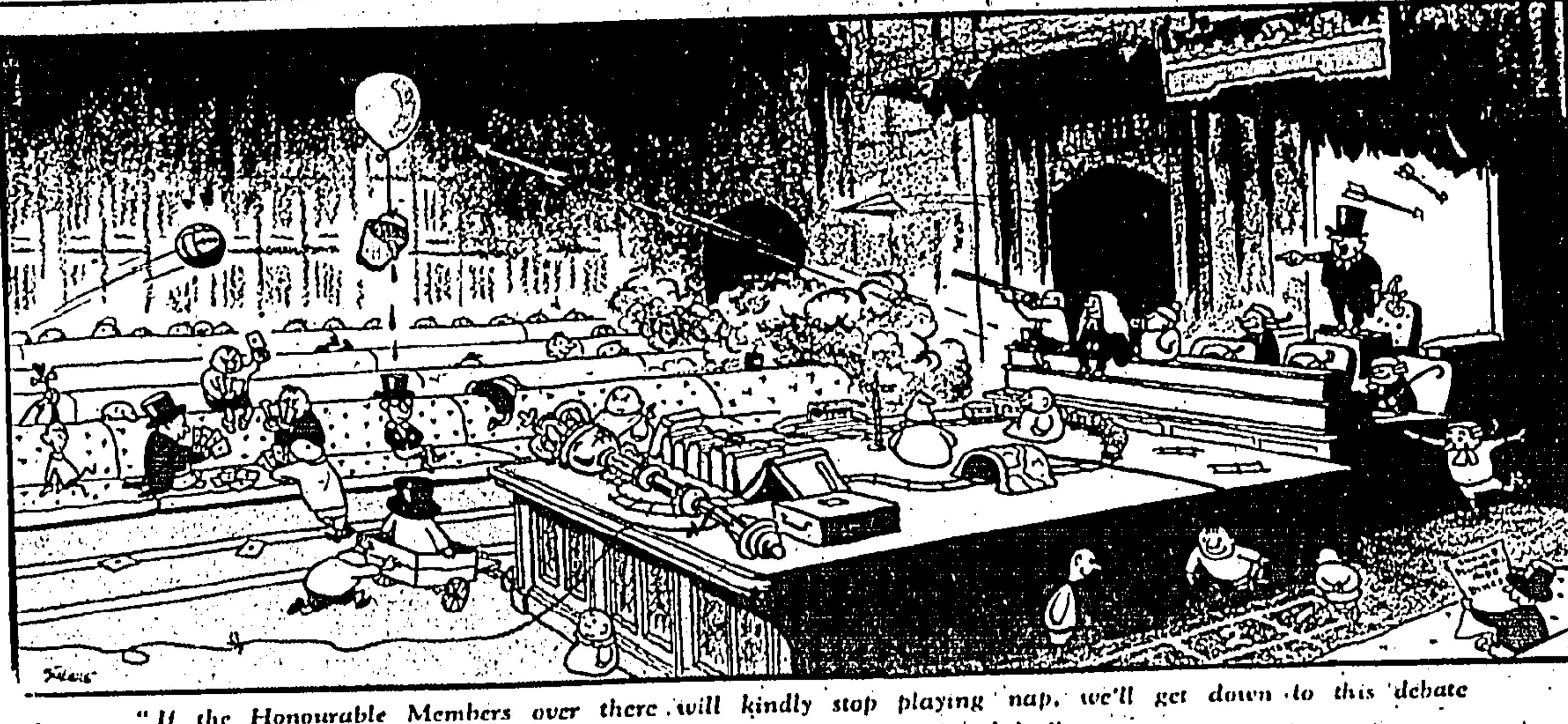
Take Any Eastern Tram Car Or Happy Valley Bus

Final Showing To-Day: 2.30—5.15—7.20 & 9.20 P.M.

RETURN ENGAGEMENT BY PUBLIC REQUEST!
Specially Brought Back to Thrill You Again!
Come Early!Commencing To-Morrow: Chinese Picture
"OUR HUSBAND" in Mandarin DialogueCENTRAL
THEATRE270, QUEEN'S RD. CENTRAL. PHONE 25720.
• 5 SHOWS DAILY •
AT 12.30, 2.30, 5.15, 7.15 & 9.15 P.M.
• FINAL EPISODE •

Mr. Robert Copping, 28-year-old headmaster of Hornsey Hall School, near Stafford, would like to see all schoolchildren join a union, and he recently held a meeting at Kingsway Hall, London, to attract "members."

"If all joined the union, it would be the strongest body in England and it would mean that children would be in control of the country," he said.



"If the Honourable Members over there will kindly stop playing nap, we'll get down to this debate on the corporal punishment of adults."

Is the U.S. on the edge of a slump?

by GERALD JOHNSON

BUTTER is cheaper in the United States than it was a year ago, but a butter knife is as expensive as ever. Cotton cloth is cheaper, but scissors to cut it have not decreased in price.

Food prices in general have declined from 10 to 15 percent, but the overall cost of living is only about two percent lower than it was in January 1948, when living was more expensive than ever before in United States history.

What this means is that the ravages of war are at last being made up, but in a rugged, uneven fashion which threatens hardship to some people while others continue to prosper.

First to fill up the gaps left by the war were farms, which explains why food prices are coming down faster than anything else.

Cotton is a farm product which has dropped from 36 to 31 cents a pound, but it is also a competitor of nylon, so the decline in cotton is forcing down the price of nylon.

BUT the farms produce nothing that competes with steel, and the demand for steel is still tremendous, so the price remains high. This is true also of copper, aluminum, tin, and other metals.

The price of any article made of metal is almost as high as it was at the peak.

Building materials are so high that the total of new construction, especially in houses, dropped sharply in January.

Part of this, unquestionably, is the normal levelling-off process to be expected as production catches up with the demand that could not be satisfied during the war; but there is a widespread suspicion that part of it is

The Senate appointed a special committee to investigate retail prices because of the suspicion that the cost of the programme and the Liberals are none too certain of its success.

Flour, for instance, has declined much more sharply than bread—giving rise to charges that the bakers are profiteering.

The metal industries are highly organised, and Radical leaders are saying that rather than reduce prices they will restrict production.

That is why President Truman, in his inaugural address, suggested that he be given power to build publicly owned steel mills if private industry refuses to produce at capacity in a period of declining prices.

ECONOMISTS are agreed that the price structure is grossly inflated. The dispute is over the way to deflate it evenly.

In 1929, when a similar situation existed, nature was allowed to take its course, with the result that the farmers went bankrupt first.

When they could no longer buy, industrial unemployment became monstrous. Then the manufacturing companies crashed and, last of all, the banks went down.

To prevent a repetition of that calamity, the U.S. Government has adopted a programme of price support for farm products.

Butter, for instance, as this is written, is selling at a retail price of 69 cents a lb. in Baltimore; if it drops as low as 59 cents the Government will step in and buy all that is offered at that price, continuing to buy until other prices—that of the butter knife, for instance—are reduced proportionately.

To date the Government has had to support nothing but potatoes, but the experts predict that the next harvest will bring farm prices down to a level at which he insists that everything should be done properly.

Young officers who come under his command are almost fooled at first by his deceptively soft voice, mild manner and intellectual approach to all problems. They soon discover the almost savage way in which he insists that everything should be done properly.

His enlisted men have a hundred anecdotes about little things which he has done for them. Here is a typical one:

A big boxing match was being held aboard one of Admiral

Nature has added a complication. All winter a series of snowstorms of unprecedented violence has swept the great cattle ranges in the west, destroying cattle and sheep in such prodigious numbers that the price of meat may be sensibly affected.

So it happens that, although the cost of living has eased by two percent, Americans are not altogether happy about the future. They feel they are on a high peak from which they must descend over the ice-covered slopes. Let them slip once, and everything will be spilled.

It is certain that the livestock industry will be impoverished, thereby reducing the national income, and a huge national income is essential to support the burden of taxation.

In these circumstances President Truman has asked Congress for authority to restore some of the price controls that were abolished in 1946.

British Communists are showing a tendency to go underground.

Political observers say

they are reverting to prewar camouflage tactics. Their

object is to meet more successfully the anti-Communist campaign started both by the Labour Government and the trade union leadership.

The new tactics, according to these observers, are designed to protect individual Communist Party members against purges now in progress among both civil servants and trade union officials.

The British Communist Party is believed to have instructed its members among the civil servants to resign outwardly from the Party and to dissociate themselves from it but to keep discreet contact with the Party machinery.

SECRECY SOUGHT

Thus the Communist Party

would have in future a category

of secret members known only

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otherwise considered as "non-

party people" or as "sympathizers."

Smiling tactics are known

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British trade union quarters

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Gerald Johnson, aged 58, is one

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He lives in Baltimore.

British Reds' New Tactics

By Walter Kolarz

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CAMPAIGN SUCCEEDING

Trade union quarters admit it

would be more difficult to

counteract the manoeuvres of

the new type of underground

Communists than the intrigues of openly-operating Party mem-

bers.

They claim the campaign

against the latter, which was

started last November, has been

eminently successful so far,

since more than half of the al-

most 20 unions affiliated with

the TUC have endorsed the offi-

cial anti-Communist line of the

TUC General Council.

The remaining unions are

holding executive committee

meetings, and almost all of them

are expected to subscribe to

the purge of Communist trade

union officials. The TUC pam-

phlet warning the individual

unions against Communist in-

filiation has become a best-

seller, and three editions were

sold out in December alone.

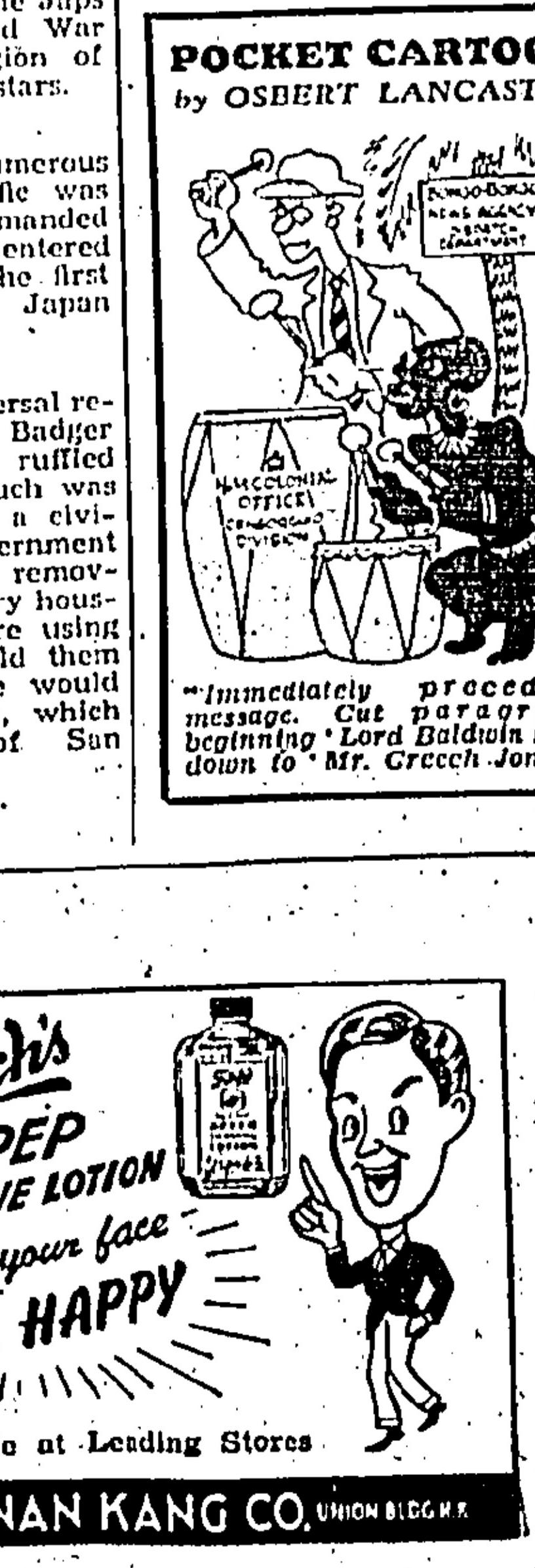
The official anti-Communist

of the TUC met opposition only

in isolated cases, such as the

Scottish mine workers—United

Press.



\$ 3½ Million Profit Revealed By Green Island Cement Company

A profit of \$3,582,995.80 was revealed at the annual meeting of the Green Island Cement Company Ltd., held at Exchange Building this morning, with Mr W. A. Stewart (Chairman of the Board of Directors) presiding.

Mr Stewart also announced a special allocation to the Staff provident fund and an allocation of \$100,000 to a Chinese Remuneration Fund from which it was intended to recognise long and valued service by Chinese employees of the Company when they left.

Mr Stewart announced with regret, the retirement of Mr Robert Taylor, Manager and Secretary, who has been with the Company for 33 years.

Speaking of current prospects, Mr Stewart said that the world demand for cement remained high and decreases in the cost of the Company's raw materials now made it possible to consider lowering their selling price, which would enable them to maintain their share of the market.

The Chairman said:

At the last Ordinary Yearly Meeting held on March 24, 1948, Shareholders were informed that in the absence of unforeseen adverse developments successful year's operations might be expected. That this expectation has been fulfilled is shown in the Accounts now under review.

The net profit of the year is \$3,582,995.80. To this has to be added the credit balance of the Profit & Loss Appropriation Account at December 31, 1947, of \$100,222.04 which, after deduction of \$1,450,210.00 representing a Capital Bonus of \$3.00 per share and any Interim Dividend of \$2.60 per share paid on August 2, 1948, leaves a balance for appropriation of \$2,331,017.84 which your Directors recommend to be dealt with as follows:

Pay a Final Dividend of	\$2 per share, free of tax, on 290,012 shares	\$580,004
Transfer to General Reserve	840,732.78	
Transfer to Reserve for Renewals and Replacements	150,000	
Transfer to Insurance Reserve	33,140.80	
Grant to Chinese Superannuation Fund Reserve	100,000	
Grant to Staff Provident Fund	97,854.25	
Pay a Bonus to Staff	30,215.31	
Carr. forward to Account for the year 1949	260,888.50	
	\$2,331,017.84	

These proposed appropriations have been embodied in the Accounts and now require your confirmation.

NET PROFIT

An analysis of the Profit & Loss Account reveals that the net profit of \$3,582,995.80 is made up as follows: (1) From the sale of Cement \$1,630,554.77; (2) From the sale of Land \$1,952,441.03.

The profit from the sale of land derives from the advantageous disposal during the year of 130,363 square feet of land no longer required for the Company's operations. Sales of cement have been maintained at the level of our maximum production throughout the year, demand outrunning supply in the earlier months.

In the Profit & Loss Account, overdrift interest this year negligibly at \$641.52, reflecting the satisfactory cash position of the Company compared with the previous year. I am sure you will approve the donations made to various organisations in the Colony.

Turning to the Balance Sheet you will observe that current assets are greater than current liabilities by about \$3,000,000—maintaining the high measure of liquidity shown in the last annual accounts. You will however, also note that we have a liability for the purchase of new machinery and buildings to the approximate extent of £100,000 and \$500,000 respectively, or a total of \$2,100,000. Of this amount \$400,000 represents the balance of machinery ordered after the liberation for the essential rehabilitation of the factory.

This machinery is now in course of delivery. We have also been faced with the necessity of ordering a second kiln to replace the one removed during the occupation by the Japanese. Our present kiln has now been running for more than the normal expectation of its working life and a major breakdown would suspend production for an indefinite time.

RECONSTRUCTION

The cost of this kiln and its ancillary machinery when delivered and assembled upon site (which we expect will be during the latter part of 1950) will be in the region of \$1,200,000. In addition, to replace our old block of offices and quarters destroyed by bombing during the occupation we have begun the construction of our Hok Un Works of new works office and laboratory, over which will be six flats to house the Members of our staff. The balance payable to complete this building is estimated at \$500,000.00.

The dividend recommended, taken together with the recommended capital bonus, is small

in relation to the total net profit, but is governed by the future commitments of the Company to which I have just referred. The fact that the proposed dividend, together with the interim dividend already paid, totaling \$1,160,100 is well within the net profit on sales of cement alone of \$1,630,554.77 is worthy of note.

After careful consideration our Board has decided to revalue the freehold land at Hoik Un at a figure of \$6 per square foot and to use the resulting capital surplus of \$3,410,004.79 in conjunction with a transfer of \$2,750,017.57. The method employed is shown clearly in the accounts. The valuation of \$5 per square foot is still very much below the market price for freehold land comparable to ours and the Balance Sheet now reflects more accurately the amount of real capital employed in our business, while being strengthened by the elimination of War Losses. General reserve is increased by \$500,000 to \$3,750,000 which, with the raw materials reserve of \$500,000 represents nearly one and a half times our issued capital. The position of the Company has been further strengthened by placing \$150,000 in Reserve for Renewals and Replacements to meet the heavy increase in replacement costs since original costs and by bringing the Insurance Reserve up to \$100,000.00.

Depreciation Reserve has been applied in writing down the Assets against which it was created and we have followed the method of presentation laid down in the United Kingdom Companies Act of 1947 so as to show shareholders in detail how the balance sheet values are arrived at. You will be pleased to know that the rehabilitation of our buildings is completed and they are all now in a sound state of repair.

STAFF WORK HARD

The Staff, both at Head Office and at the Factory, have worked hard throughout the year to achieve the results now disclosed and you will be asked to approve, not only a bonus, but a special allocation of \$97,854.25 to the Staff Provident Fund and an allocation of \$100,000 to a Chinese Superannuation Fund, from which it is intended to recognise long and valued service by

Chinese employees of the Company when they leave us. Your Board feel that the existing provisions for retiring staff have been inadequate and that sufficient funds should be laid aside for an employee throughout his years of work to ensure him an adequate and predetermined sum at the end of his service. The present proposed allocations are first step in this direction.

Our devoted Manager and Secretary, Mr R. Taylor, is leaving us this month after 33 years with the Company. Mr Taylor joined our service in December, 1915, and since then had the unique record of holding every office in the Company open to him and it is in large measure due to his untiring efforts that we are today in our present strong position. I am sure you will all join with me in wishing him many happy years of well-earned retirement.

His Head Office is being taken by Mr J. S. C. Neel while Mr J. J. Cameron, who has been with us for close on a quarter of a century, assumes the duties of Works Superintendent at Hoik Un Works.

You will wish me to say a few words on current prospects.

Imported cements, and particularly Japanese, are now coming into the Colony in increasing quantities and we must expect to find progressively severer competition. However, the world demand for cement remains high and decreases in the cost of our raw materials now make it possible to consider lowering our selling price, which should enable us to maintain our share of the market.

SECONDER'S SPEECH

Seconding the adoption of the Report and Accounts, Mr N. V. A. Croucher said:

I have listened with interest and pleasure to the Report just presented to us and realise how far along the road the Company has progressed since I was last called upon to second the adoption of the Report and Accounts at our first post-war Ordinary Yearly Meeting at the end of 1946. To that year the net profit was just under \$4,000,000 but only two years later it is not much below \$4,000,000 and although a large part of this total derives from non-recurring profit upon the sale of land, nevertheless the trading profit results an excellent year's work.

RE-ELECTIONS

On the proposal of Major C. W. L. Way, seconded by Mr Lo Yuk-tong, Messrs W. A. Stewart and Lawrence Kadourie were re-elected to the Board of Directors, while Messrs Peat, Marwick, Mitchell and Co. and Messrs Lowe, Bingham and Matthews, were re-appointed auditors on the proposal of Mr A. G. Meise, Lo Yuk-tong, Fung Ki-keul, Ho Kai-ham, C. C. Blake, Lee Shiu-chung and Lau Shiu-chuen.

gratifying to shareholders. The Balance Sheet is impressively strong and, with free reserves exceeding the issue capital and with war losses eliminated, should enable the Company to face the future with every confidence.

For this satisfactory state of affairs the greatest credit is due to the Directors, to the Manager and Secretary and to all his staff, and I am sure that I am speaking for the whole body of Shareholders in voicing our approval of the allocations made to the Staff Provident Fund and the Chinese Superannuation Fund.

It is with very deep regret that I have learned of the impending departure of Mr R. Taylor, who has served us so long and so faithfully in good times and in bad. Mr Taylor's unfailing attention to the interests of the Company is undoubtedly largely responsible for the strong position in which it finds itself today. I think all shareholders will wish to join me with the Chairman in wishing him many happy years of trouble-free retirement.

RE-ELECTIONS

Present at the meeting were Mr W. A. Stewart (Chairman), Sir Robert Ho Tung, Mr F. C. Barry, Mr D. C. Davis, Mr Horace Kadourie (representing Mr L. Kadourie) and Mr Norman F. C. Li (representing Mr Li Tse-fong) (Directors); Mr R. Taylor (Manager and Secretary), Mr J. S. C. Neel, and the following shareholders: Major C. W. L. Way, Messrs N. V. A. Croucher, B. M. Bradbury, B. Wong Tape, H. R. D. Sequiera, A. G. Meise, Lo Yuk-tong, Fung Ki-keul, Ho Kai-ham, C. C. Blake, Lee Shiu-chung and Lau Shiu-chuen.

Sault Ste Marie, Ontario, Mar. 3.—The number of uranium claims in the Mississauga road region, north of Thessalon, today swelled to 2,300 as the rush for the mineral grew as a result of last autumn's strike.

American planes were reported crossing the border on the average of five daily with prospectors in quest of mineral.

Assays of pitchblende samples were reported to be good, but the exact percentage was not known.—United Press.

WITNESS

Mr Clifford then read certain paragraphs from the instructions to witness concerning transfers, sickness, lateness and fines which had to be entered on the daily distribution labour job sheets by foremen. Witness said that was the duty of Ho Sung, who was assistant to Kwok Kwong at that time.

Mr Clifford: Did he know what was going to happen in the afternoon in the morning?

Witness: He did not know. When I prepared the daily distribution job reports I made them out from the daily report book, there was the time and wages sheet which gave proper information of what actually happened everyday. For instance, if a workman was transferred from one job to another during the morning or afternoon this would be recorded in the time and wages sheet.

Did you record it?—Yes.

Witness replied further that when reports were made of when workers would be entered on the time and wages sheet the day after. It had never been reported to him where a workman was all right in the morning and became sick in the afternoon. Overtime would appear in the daily report book.

His Lordship then questioned the instructions sheet. Mr Clifford replying that it would be accepted in the Army.

His Lordship: We are not concerned with what is accepted in the Army, think goodness; the jury have enough to think about. They are not even called instructions on that sheet.

Mr Clifford (as witness): Are these instructions?

Witness: Yes.

And you read them as such?—Yes.

And you knew that these were rules May was ordering you to follow?—Yes, the whole staff should follow the rules but us for my part I was only concerned with typing out the daily labour distribution and job report.

Did you have any time keeping duties?—No.

Mr Clifford: Then I was a duty list which witness admitted he had signed.

His Lordship: It is dated July 22.

Mr Clifford: That is a very significant date.

His Lordship: Mr Clifford, I wish you would stop making aside to the Jury that he had been assaulted and robbed by three sailors. The Police evidence will be that Cubitt appeared to be dazed and suffering from the effects of blows; and it also appeared that he had been drinking also.

"During the early hours of the morning, the three accused were arrested. Their kits were subsequently searched and the only thing found in their possession was a propelling pencil which Cubitt had incidentally lost during the course of his assault on McGuinness. It was found in the possession of McGuinness, who claimed he had picked it up from the ground after his fight with Cubitt. The pencil was identified by Cubitt as his property."

Crown Council went on to explain to the Jury the law with regard to rape, and added that the fact that a woman was a prostitute provided no excuse for such an act.

Replies further to defence counsel, witness said that when they made out the duty list they did so to give information to May as to what they were doing every day, and then May would see whether their duties agreed with the various instructions.

The trial is proceeding.

PWD TRIAL RESUMED

CLERK EXAMINED BY DEFENCE

Defence cross-examination of Lau Chung-wing, clerk employed at the PWD workshop at Hunghom, began before Mr Justice Williams at the Criminal Sessions this morning when the PWD Laundry trial was resumed.

Kwok Kwong, 47, foreman and Arthur Frederick May, aged 41, electrical inspector, grade 1, face three charges of theft by public servant and falsification of accounts with intent to defraud the Government.

Kwok is not legally represented. Mr A. J. Clifford, instructed by Mr J. C. Stewart, is defending May. Mr A. Hooton, Crown Counsel, assisted by Mr J. J. Johnston, is prosecuting.

Replying to Mr Clifford, Lau Chung-wing said that May had told the members of the office staff that they should get to know each other's work.

Mr Clifford: Did you make any attempt to get to know other officer duties?

Witness: Other members of the office staff did not teach me how to do their work.

And you did not try to find out—I had enough work of my own to keep me engaged all day so I had no time to make any attempt to learn the work of others.

Mr Clifford: Then produced what was described as a daily distribution labour job report with instructions as to the making up of the sheets.

Mr Clifford: And is it not true that the instructions are perfectly clear that the sheets should be made up for the day before?

His Lordship, interposing, said that defence counsel should have had copies made of the documents for Crown Counsel, the jury himself.

Mr Clifford: I have had the greatest difficulty in getting hold of this document. I asked Mr Johnston to produce every document in his possession so that I might pick them out. Mr Johnston told me specifically that he had put every document in my files but when I came to look at this document was not there.

Mr Hooton: I was given notice of the production of that document yesterday morning and I produced it in the afternoon.

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The trial is proceeding.

QUEEN'S & ALHAMBRA

To-day—2 PARTS Showing ALTERNATELY.

Part I at 2.30 & 7.15

Part II at 5.00 & 9.30

"Never in our lifetime have eyes beheld its equal!"

THE GREATEST OF THE GREAT!

EVERYBODY WANTS TO SEE

"GONE WITH THE WIND"

Morning

CLARK GABLE · VIVIEN LEIGH

BADMINTON'S WIMBLETON

Two Malayans & Two Americans In Semi-Finals

London, Mar. 3.—Malayans' two leading players, Wong Peng-soon and Ooi Teik-hock, today battled their way into the semi-finals of the Men's Singles in the All-England Badminton Championships at Harringay Arena here.

Both meet American opponents. Wong faces a very stiff semi-final match against Dave Freeman, the 28-year-old American champion, who was in devastating form today. This clash may well provide the eventual winner of the title.

Ooi plays Carl Loveday, the dashing young American No. 3, who in the third round defeated Ooi's compatriot, Law Teik-hock, in three games.

On current form it would appear to be a Free-man—Ooi Teik-hock final.

The most plucky winner of the day was Ooi, who saved no less than five match points against George Thomas, India's Thomas Cup captain, to win his quarter-final match.

Wong Peng-soon won a long and gruelling match against India's star, Mohan Lal, to reach the last four. The Indian took the second game at 17-14.

Freeman, unbeaten in ten years, won his third and fourth round matches with the total loss of only 11 points, a magnificent achievement and illustrative of his superiority.—Reuter.

Wong Peng-soon beat India's Devinder Mohan Lal in the quarter-finals by 15-4, 14-17 and 15-4 after Devinder's fine display of accurate placings and severe smashing caused the Malayan to drop his first game of the tournament.

QUARTER FINAL SCORES

Ooi Teik-hock (Malaya) beat G. L. Lewis (India) 15-3, 0-15, 17-15;
Carl Loveday (United States) beat Law Teik-hock (Malaya) 12-15, 15-6, 15-12;
Dr Dave Freeman (United States) beat H. Ferreira (India) 15-3, 15-3;
Wong Peng-soon (Malaya) beat Devinder Mohan Lal (India) 15-4, 14-17, 15-4.

MEN'S DOUBLES - FIRST ROUND

Lim Kee-fong & Ong Pol-hin (Malaya) beat F. S. Lau & Y. S. Lau (England) 15-3, 15-9;

SECOND ROUND

Dave Freeman & Wynn Rogers (United States) beat Law Teik-hock & Chooong Ewe-leong (Malaya) 12-15, 15-10, 15-4;
Yeo Teek-chye & Chan Kop-leng (Malaya) beat Olli Wahlberg (Sweden) & J. A. Collier (England) 15-4, 15-4;
Lim Kee-fong & Ong Pol-hin (Malaya) beat J. MacGregor & A. N. MacGregor (Scotland) 15-3, 15-2;
Ooi Teik-hock & Teoh Seng-khoon (Malaya) beat W. G. P. Birtwistle & B. Repton (England) 15-3, 15-5.

Chess Club

Seven-A-Side

Meeting

The Extraordinary General Meeting of the Kowloon Chess Club yesterday passed, with some minor alterations, the new draft rules for Kowloon Chess Club Tournaments.

The alterations concern mainly adjudication for games unfinished after an adjournment. Though the subject was discussed, at some length, the meeting did not pass any provision regarding acceptable grounds for postponement of a game.

It was generally agreed that tournaments in future will have to be played strictly to schedule.

The meeting decided not to make any special provision for Junior Membership, agreeing that children would be acceptable as full members at the discretion of the Committee which reserved the right to discontinue such membership should circumstances warrant it.

BLINDFOLD EXHIBITION

Following the meeting, the Shanghai Champion, Serge Jiritsky, played a blindfold game against Arthur Gomez, A. Birukoff and R. W. Carter in consultation on one board.

Jiritsky won a Ruy Lopez that went to 38 moves.

He is to give a blindfold exhibition match on one board against K. M. A. Barnett, former Colony Chess Champion and President of the Kowloon Chess Club, in consultation with other local players of senior standard, on Thursday, March 24, at the Peninsula Hotel.

CLUB TENNIS

The Hongkong Cricket Club Men's Singles Tennis championship commenced yesterday when two out of six matches down for decision were played.

B.T.M. Jones, runner-up in the tournament last year, gave a fine display in an interesting game with W.G.D. Cooper, winning by 6-2, 6-1. The score, however, was not exactly indicative of the play. On many occasions games went the full distance, and in one particular game in the first set at least five deuces were called before Jones clinched it. Cooper returned Jones' canon balls with confidence and some splendid driving duels were seen.

Rugger Results

Full results were:

B. T. M. Jones at W. G. D. Cooper 6-2, 6-1; Bannerman Coxhead 6-1, 7-5; A. Furrer received w/o from G. Wiggleworth; Dr. Meyer received w/o from G. A. Lewis; B. Scaglen w/o from G. A. Lewis; B. Scaglen w/o from J. Armstrong; J. D. Mackie received w/o from J. Barrow.

TODAY'S GAMES

To-day's Club singles matches are: Court 1: C. Wilson, F. V. Harrelson; 2: K. M. Geitz, V. B. Howorth; 3: L. L. Pearcey v K. J. Hickey; 4: J. V. Sellars v M. Heenan.

Mister Conquest



TOUR ENDS

WEST INDIANS KNOCK UP 256 RUNS IN 85 MINUTES

Bombay, Mar. 3.—Hurricane scoring marked the end of the West Indies tour of India today when they drew a two-day Festival match against the Governor of Bombay's side.

After the home team had tied on the first innings with a total of 288, the West Indies, in some of the fiercest hitting ever seen in India, scored 256 for 8 wickets declared in 85 minutes.

The Governor's side also hit freely and had made 217 for 7 wickets in their second innings when stumps were drawn.

The West Indies team will leave here tomorrow by air for London on the first stage of their journey home.—Reuter.



PATTON CHANGES HIS MIND

Los Angeles, March 3.—Gen. George S. Patton, the Olympic 200 metres champion, said here that he had reconsidered his decision of January 17 to retire, and stated that he would compete for the University of Southern California this spring.—Reuter.

He also claimed that he had an agreement with Bill Daly, manager of Lee Savold, whereby Savold would fight for the club.

Joe Louis, following his retirement on Monday, announced that his newly-formed International Boxing Club had signed Charles to meet Joe Walcott for the vacant championship.

Louis claimed that he had an exclusive two-year contract with both boxers.

On the same day, Daly announced that he had concluded an agreement with the London promoter Jack Solomons, for Savold to meet the winner of the Mills-Woodcock fight in London for "the title."—Reuter.

Felix Bacchus, Walcott's business representative, confirmed this. "The contract calls tentatively for New York or Chicago," he said. "I would rather have had Walcott fight Louis again, but this is a good break for Jersey Joe."

Louis' move was intended to guarantee the International Boxing Club control of the heavyweight crown. Louis said that he did not want to try to monopolise boxing, but admitted that his first move in negotiating Charles and Walcott for two years, followed Mike Jacobs' exclusive contract pattern.

"It wasn't that I was afraid of any of the heavyweights around today," he said, on his return from an exhibition in Nassau, Bahamas.

"I honestly think I could whip any of them. But this is a great opportunity for me. I don't want any fight with Mike Jacobs. I don't want any monopoly. But there ought to be room for other promoters too."

—Reuter.

Promoters May Have To Fight One Another For Heavyweight Title

New York, Mar. 3.—The already obscure world heavyweight championship situation was further complicated today.

Sol Strauss, secretary of the 20th Century Sporting Club, said here that his promoting organisation had an exclusive contract for the services of Ezzard Charles, one of the title contenders.

He also claimed that he had an agreement with Bill Daly, manager of Lee Savold, whereby Savold would fight for the club.

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—Reuter.

LOUIS OUTSMARTS THE OTHERS

Miami, Florida, Mar. 3.—Joe Louis, retiring world heavyweight champion, said today that Ezzard Charles and Jersey Joe Walcott have signed exclusive two-year contracts with his newly-organized international boxing club, when they agreed to fight in June for the vacant world heavyweight championship.

—Reuter.

JOE-SMART AS A FOX



TOMORROW'S LEAGUE CRICKET

Good Programme Of Games

By "RECODER"

Recreio, now well in the lead in the race for the First Division Championship, entertain the Indian Recreation Club at King's Park tomorrow and should, barring the possibility of devastating form from IRC's unpredictable bowlers, notch up another four points.

Recreio never regards the IRC too lightly and they will not tomorrow. Their closest challengers in the championship race, the Army, visit Scorpions at Chater Road.

Army, who will be led by Lt. Stepto, will be without the services of their two most consistent bats, Major Murray-Brown and Major Dawe, and will have to depend on skittling the Scorpions out for a low score, a difficult proposition against a team in which No. 7 on the batting list may stay for 50 runs.

Should Tincheung beat Ewo, then the match on March 20 with Wayfoong will be the deciding encounter. Dwdwell's XI is not to be considered easy meat. It has three First Division cricketers to call upon, on a par with the Bank. Talkoo has one and Ewo has two.

Despite the presence in the Inter-Hong League of such giants of First Division batting as N. E. Arthy, R. W. Franklin and D. H. Leach, the best innings so far has been J. D. Hawthorn's 113 for Ewo against

Tincheung.

He really opened the door to the bigtime when he tumbled the mighty Parker, top seed at Wimbledon in 1948. Kurt was at Wimbledon too, anonymous and shy, and he bowed out unmoored in the second round of the European zone tournament.

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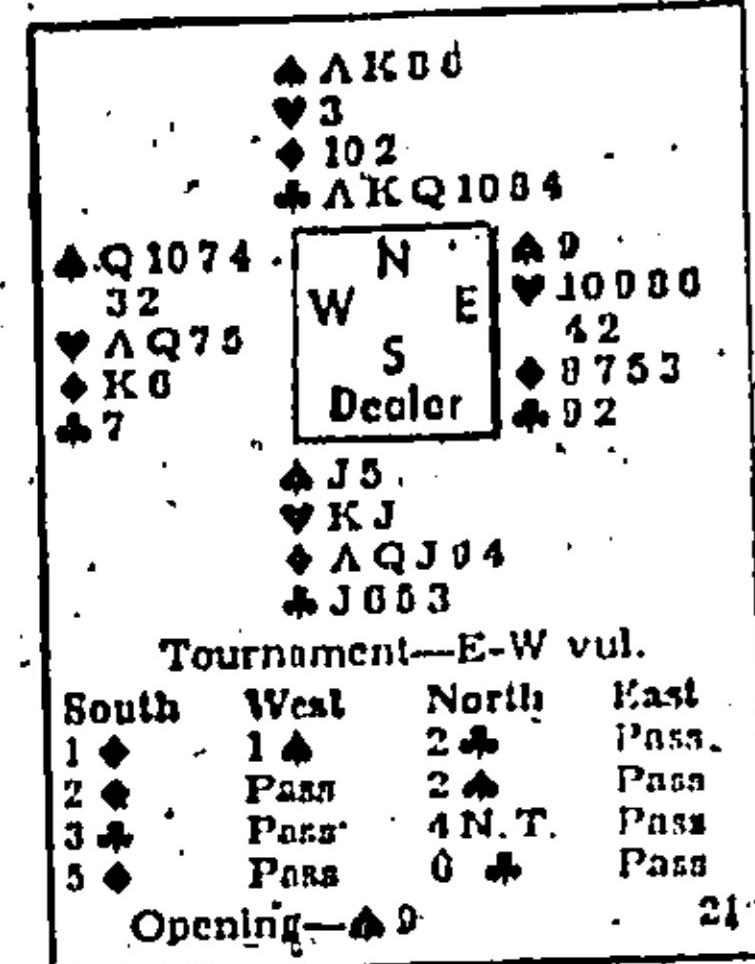
While the Public Works Department could but have never yet fielded a team on

their own, an organization of similar occupations

• FOR YOUR SPARE MOMENTS •

McKENNEY ON BRIDGE

Double Could Defeat This Slam Contract



BY WILLIAM E. McKENNEY

Today's declarer really gave himself a grand present when he made six clubs on this hand. If West had doubled the contract, it would have called for a diamond opening by East under most systems. In other words, it would have asked for the lead of the first suit bid by dummy. Without a double, the only thing East could do was to lead the nine of spades, the suit bid by his partner.

West covered South's Jack of spades with the queen. Declarer won with the ace, cashed the ace of clubs, then played the eight of clubs over to dummy's Jack. Next he played the five of spades, and when West played the deuce, North finessed the eight-spot. Bear in mind that this was a safe play, because if East had originally held the ten-spot, he would have led it instead of the nine.

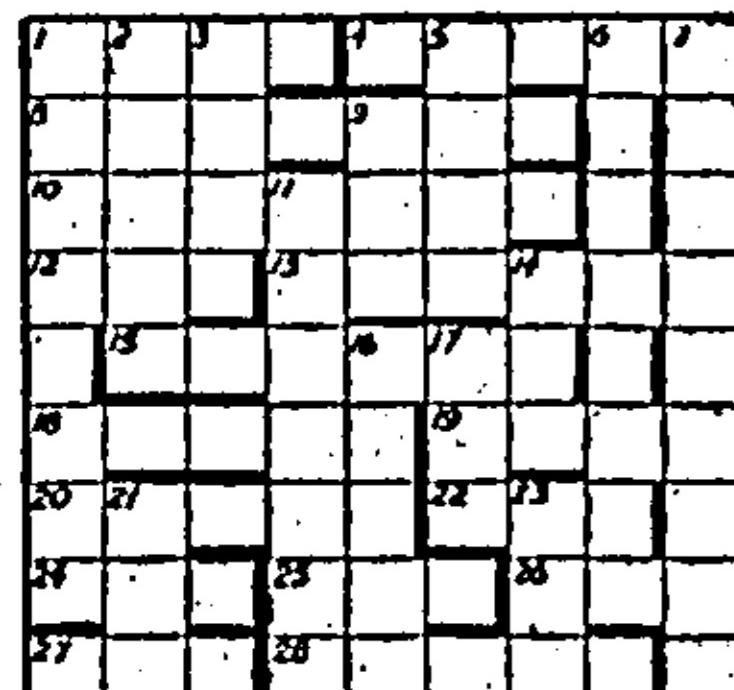
North now cashed his high spade, discarding the Jack of hearts from dummy, then ruffed the other spade in dummy. He still had a little problem, so at this point he led the king of hearts. West had to win it with the ace, but now West was helpless. If he led a diamond, it would be right into dummy's ace-queen. If he led a heart, or a spade, it would give declarer a ruff and allow him to make the contract.

CHECK YOUR KNOWLEDGE

Answers

1. Ahmed Fuad Pasha. He became king in 1922 when England withdrew its protectorate.
2. Abraham Lincoln.
3. Violin passage played by plucking the strings with the finger and not the bow.
4. Six.
5. Northwest.
6. Aversion to water; rubies.

CROSSWORD



1. You get it from a file. (4)

4. Glass. (6)

10. Describes political perfection. (7)

12. Acquire. (4)

13. Radio accessory. (6)

15. Book of religious rites. (6)

16. Raft. (6)

20. This is an insect. (3)

22. No it is celebrated. (3)

23. Recent. (4)

25. And the remainder. (3)

26. It set like this. (6)

Down

1. Man this is criminal. (6)

3. This is a top in a rider. (6)

5. Taken from the arrival platform. (4)

6. The scaling of walls with ladders. (4)

7. A new word. (6)

9. Get this hence! (3)

11. He pays the doctor to be fine. (6)

14. Filled but unfulfilled. (3)

17. Fat to the rear. (3)

21. Encountered. (3)

23. Eight. (3)

Solution of yesterday's puzzle—Across:

1. This is a top in a rider. (6)

3. Taken from the arrival platform. (4)

5. This is a top in a rider. (6)

7. A new word. (6)

9. Get this hence! (3)

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17. Fat to the rear. (3)

21. Encountered. (3)

23. Eight. (3)

DUMB-BELLS

REGISTERED U.S. PATENT OFFICE

NOT "SAN JOSEY",
IT IS "SAN HOSAY"
IN CALIFORNIA.
YOU SHOULD
PRONOUNCE
ALL "J'S" AS "H".
HOW LONG
DO YOU INTEND
TO STAY?



UNUSUAL ANGELS

DRUNKEN PIGS ADD ZEST TO SMUGGLING

Hundreds of drunken pigs and stocking-footed cattle have been smuggled silently across the Dutch border into Belgium within the past two years.

Illegal traffic in noisy livestock is a difficult profession, when they must be slipped by night across the closely guarded frontiers of small European countries, such as Holland and Belgium. These post-war smugglers have exhibited a cunning which so far has outwitted the police.

Hoofs of cattle are cleverly muzzled with specially constructed rocks, made of thick burlap. To prevent moaning, the mouths of the cattle are smeared outside with a cheap soap.

The soap has an attraction for the cattle's taste-buds, and rather than moan, the animals are constantly licking.

5. In what direction does a ship sail going through the Panama Canal from the Pacific Ocean to the Atlantic Ocean?

6. What is hydrophobia?

(Answers in Column 2)

BOYS AND GIRLS MAGAZINE

Grandfather and His Helpers

—Cane Helped Him Walk; Watch Told Him Time—

By MAX TRELL

CHRISTOPHER Cricket came out of his crack between the two loose bricks in the fireplace (he was spending the winter there), and sat down next to Knarf and Handi, the shadow-children with the turned-about names. After exchanging greetings, Christopher Cricket said: "Is the children's grandfather still here?"

"No, Christopher. He went away this morning," said Handi.

"Oh," said Christopher, "I'm sorry I wasn't around to say good-bye to him. But I did say good-bye to all his helpers."

Christopher added.

Knarf and Handi both looked at Christopher Cricket in surprise. "His helpers?" said Handi.

"Grandfather didn't have any helpers. What do you mean?" asked Knarf.

Number of Helpers

Knarf and Handi eagerly asked Christopher to tell them who these helpers were.

"Well," said Christopher, "one of them was Spectacles. He said he was going to help Grandfather see. Another one was Cane. He promised to do his best to help Grandfather walk. The third helper was Watch. He said he was going to be sure Grandfather knew the right time, so that he wouldn't miss his train. The fourth helper was Honey. He said he was going to buy Grandfather's train ticket and would buy him food to eat when he was hungry and buy him a newspaper and book which he was reading. The fifth helper was Key, who said he was going to open the door for Grandfather when he reached home."

Many Voices

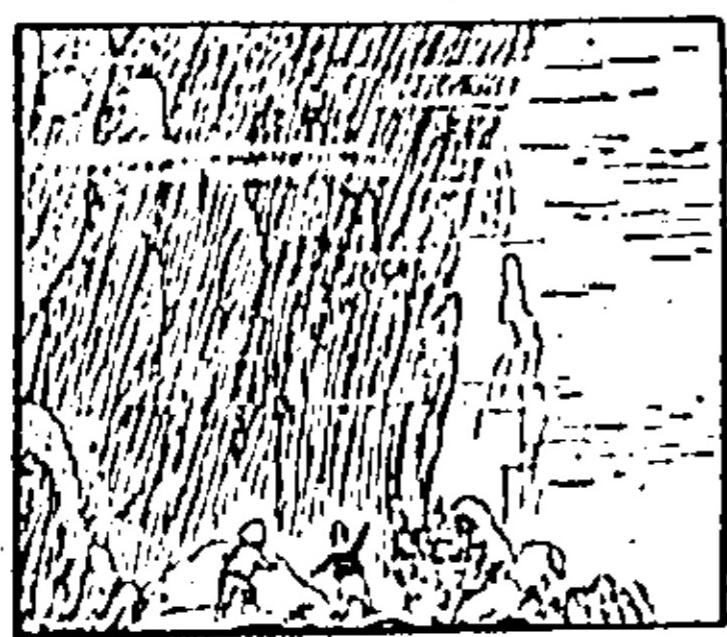
"Then," said Christopher, "a great many voices all joined in. They were Clothes and Shoes and Hat. They all said they were going to go along with Grandfather and help to keep him warm."

"My goodness," said Handi, "I never knew Grandfather had so many helpers!"

"Neither did I," said Christopher. "I'm sure he's glad to get their help. I was very glad to know them. I told them all good-bye and a very pleasant journey for Grandfather and for themselves."

ALL RIGHTS RESERVED

Rupert's Elfin Bell—26



When Rupert has struck the Elfin Bell there is a pause. Then the clear note comes echoing back to them through the mist. "That must be our way, let's hurry!" cries Bill. Scrambling over more rough rocks they forge ahead up the other side of the valley. All at once some enormous cliffs loom up in front of them and they have to stop. "Now, we can never get up there!" says, "Let's go back!" "No," replies Rupert. "The cliffs are leaning outwards." "Let's search about," says Bill. "There may be a door somewhere."

ALL RIGHTS RESERVED

Bill Sounds the Retreat

ANY WHITE MINERS WHO DARE TO HURT ME INJURE A LOW-DOWN SKUNK, JEFF HARLOW!

I GOT TO HEMBO TO GET RID OF EM!

HOWDY, MRS. HARLOW! NICE DAY...

MRS. HARLOW? IF SHE FINDS ME IN THIS LYNCH MOB...

SHILL LICK COME BACK, JEEP HARLOW, AND DO YER DUTY!

Central Java Republicans To Have Voice In Own Affairs

Dutch Recognition

Batavia, Mar. 3.—The Dutch recognised temporarily today a new representative body for the 7,500,000 persons in the former Republican territory in Central Java. A government announcement today said that the group, which recently met informally at Semarang, was now considered a "temporary representative body" for the area.

It said it was not desirable at present to set up an actual state but it was urgently necessary for the 7,500,000 persons to "have a voice in the administration of its own territory and in political discussions with the Central government."

The announcement added the "temporary representative body expressly declare that it does not wish to anticipate or prejudice future developments in Central Java."

Under the existing Security Council resolution the territories of the Republicans taken over in the December offensive by the Dutch should be set up again as a Republic under the leaders now exiled on the Islands of Bangka. The six Indonesian leaders of the non-Republican states in other parts of the East Indies returned today from Bangka where they have been conferring for two days with the Republicans. They refused to reveal whether a decision had been taken by Dr Achmed Soekarno on the Dutch invitation to a Round Table but said the matter was one subject of the talks.

The Republican officials on Bangka are still holding out for the former capital of Jogjakarta.

NOT TO ACCEPT

It was learned from reliable but unofficial sources today that Soekarno will not accept the invitation to the proposed Hague Round Table conference unless he is restored in the central Java city.

He is thus maintaining the policy announced on Monday by the Chairman of the Republican delegation to the United Nations Commission, Mohammed Rumi.

Rum said that the Republican government considered the move to hold a Round Table Conference as an effort to evade the Security Council resolution and the Republic would not have any part in it.

The resolution of January 28 ordered the Dutch to allow the Republicans to function again as a government in Jogjakarta. The Dutch flatly refused.

So the former Republican capital and ancient seat of Javanese Sultans becomes the most massive stumbling block in the Dutch-Republican dispute.—Associated Press.

GUERRILLAS DEFEATED

Batavia, Mar. 3.—The guerrilla attack on Jogjakarta, the strongest since the Netherlands Airborne Army descended on the city last December, has been driven back by Dutch forces.

But some of the units, though scattered, are not far from the city and they are retaliating from many sides.

In driving the guerrillas off, the Dutch claim that they captured large amounts of stores, ammunition and arms.

General Simon Spoor, Commander of Ground Forces in Indonesia, returned to Batavia today after a flying visit to Jogjakarta to take command. He said the situation was now under control.

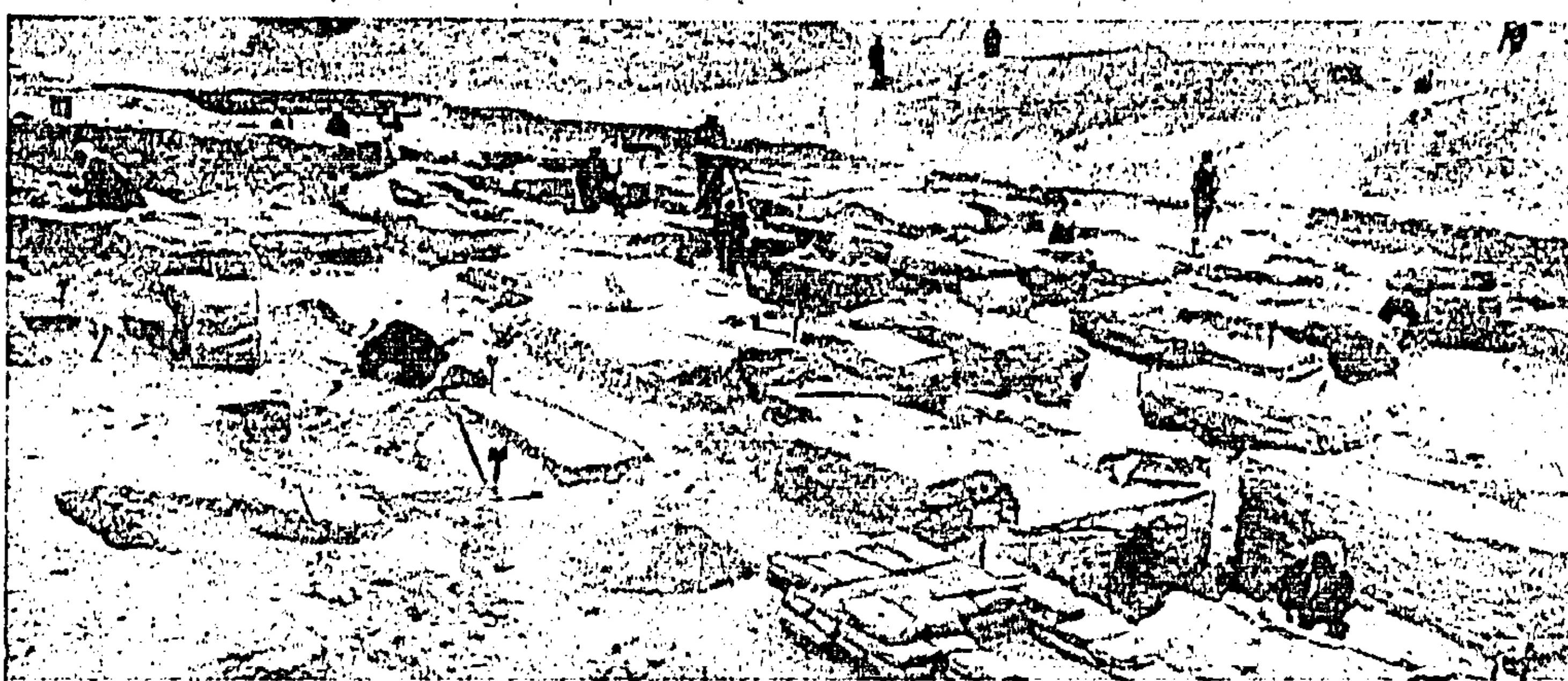
The Dutch have countered the guerrillas' moves by burning many empty houses which could be used as hiding places. Armoured cars are patrolling the streets of Jogjakarta.

A Dutch Army spokesman disclosed today that the Dutch Army suffered twenty casualties in beating off the heavy guerrilla attacks in Jogjakarta early on Tuesday morning.—Reuter.



Republicans

6,000 YEAR-OLD CEMETERY



Above are some of the 1,000 well-preserved brick tombs brought to light at Eridu, 6,000-year-old settlement, by the Iraqi Directorate-General of Antiquities Expedition.—AP Picture.

Defence Budget Debate

(Continued from Page 1)

machinery and developed from the interchange of Service liaison staff generally approved by other Commonwealth countries.

The Defence Minister praised the British troops in Malaya. "I would like here to pay a special tribute to the troops who are operating in Malaya," he said amid cheers.

"The courage, skill and determination which they have displayed in that task of the gradual restoration of the conditions of an ordered government in that important territory have been worthy of the highest traditions of the Service."

"The arrest of the spread of Communism in that area is of vital significance in the cold war, and our troops have adapted themselves to the unusual circumstances with all that resource and good humour which are characteristic of the British Army."

Princess Margaret listened to the debate from the Speaker's Gallery.

COLONIAL DEFENCE

Turning to colonial defence, Mr Alexander said recent events had shown the importance of pressing on with the economic development of the territories under the British Crown.

It was not easy for the governments concerned to put in hand at the same time any substantial development schemes for the defence forces supported by colonial territories.

Nonetheless, the need for adequate forces to maintain internal security was fully recognised and colonial governments and Service Commands abroad had been made aware of the threatening dangers.

The colonial governments were making every effort with their means to strengthen their police forces. Permanent arrangements have been made by which colonial governments receive guidance either from the Defence Co-ordination Committee in the Middle East or from the Service Commands, or direct from the Colonial Office.

Six civilians and two Army officers have now been charged in France's seven-day espionage hunt.

OPPOSITION DISTURBED

For the Opposition, Mr Oliver Stanley, a former Cabinet Minister, said no indication had been given of the real state of Britain's defences for which the country was paying so high a price.

The Opposition wholly approved the Government's purpose but was "profoundly disturbed" whether these vast resources, which should be sufficient to ensure us security, are not being largely frittered away without purpose and without plan," Mr Stanley said.

He said Members were deeply anxious at the lack of information on the number of Army formations up to strength, fully trained and equipped. "We did not find it very easy to meet the difficulty that arose in Malaya," he said.

"Are we in a position to meet any other commitments if they arise today?"

WHIP'S SUGGESTION

Mr Stanley said that as a result of the war and its aftermath, Britain was no longer in a position to have responsibility for Commonwealth defence, even at the outbreak of hostilities.

Mr Frank Byers, the chief Liberal Whip, suggested that Britain should ask her sister Commonwealth nations to undertake some of the overseas garrison and routine duties now carried out by Britain.

An Opposition motion asking the House to decline approval of the Government's recent statement on defence because it was "inadequate" was defeated by 201 votes to 165 tonight. A Government motion asking for approval was carried by 227 to three, after the two Communists, Messrs William Gallagher and Philip Piratin, had challenged a division. Ordinarily there would not have been a division on this motion as one had already taken place on the Opposition amendment.—Associated Press.

POCKET CARTOON



"Clever, of course, but obviously a fake...."

U.S. OCCUPATION POLICIES

New System Possible

Washington, Mar. 3.—The Administration is studying a plan which would give the State Department powerful authority to direct American occupation policies in Germany, it is learned today.

Informants said the plan would establish a system of direct communication on high level policy between the Secretary of State, Mr Dean Acheson, and the United States military governor in Germany. This post has been held in the last three years by General Lucius D. Clay.

Since the end of war in Europe the State Department has drawn up the occupation policies. The Army, however, has been responsible for carrying them out. The Hoover Commission said recently this split responsibility had given rise of "serious friction" between the two departments.

THE NEW PLAN

Under the new plan the United States military governor in Germany would receive orders relating to policies from the Secretary of State. And he would report on occupation activities directly to Mr Acheson instead of to the Army Secretary, Mr Kenneth C. Royall.

Military personnel would continue in their present jobs in Germany and the present administrative machinery for personnel, pay and so on would remain outside of the State Department.

The new plan is under intensive consideration, but officials emphasised no decision on implementing it had been reached. Final recommendations will be sent to President Truman for approval.

An alternative plan to prevent friction between the two departments has been drafted but reliable sources said the chances are it will be shelved. It would allow continuance of direct reports to Mr Royall. The President would act as "umpire" in case of inter-departmental disputes.

IN OPERATION

Britain and France already have adopted a policy of communication system envisaged for Germany by the Administration. General Sir Brian Robertson reports directly to the British Foreign Office and General Pierre Koenig to the French Foreign Office.

There is no intention to extend the "direct report" plan to Japan where General Douglas MacArthur serves in a dual capacity as Supreme Allied commander and chief of the United States occupation forces.

No change in the present procedure is contemplated either for Austria where Lieutenant-General Geoffrey Keyes commands the United States occupation forces.

Administration informants said several generals are being considered for General Clay's post if he retires. They are General Mark W. Clark, commander of the Sixth Army, Lieutenant-General John E. Hull, chief of weapons and systems evaluation group in the national military establishment; and Lieutenant-General Albert C. Wedemeyer, deputy chief of staff for operations.

The counsel pointed out that the British film was banned in various United States cities after having won the first prize in an international competition in Venice.

OPPOSED NAZISM

("Oliver Twist" was recently withdrawn from a film theatre in the British Sector of Berlin, after the police had been stoned by demonstrators objecting to the portrayal of the Jew, Fagin.)

Harlan told the court today that he had not been an active opponent of Nazism, but he opposed the Propaganda Chief, Josef Goebbels, in artistic matters.

Amid loud laughter, Harlan said Goebbels used to type all his love letters in red. He said that Lida brought him a note in red lettering, summoning him to discuss the project of marriage.

PLAYING WITH TRAIN

There was further laughter when the film director said that the first time he met Goebbels the Propaganda Minister was lying on the floor, playing with a toy train with the actor, Gustav Froehlich.

"Mass migration of any kind would clearly be contrary to our trusteeship obligations," he said.

Denying prejudice against Jews, the accused mentioned that his first wife was a Jewess. He was divorced from her after 18 months—not for anti-Semitism, but because his wife's relatives, who were pious Jews, objected to her being married to an Aryan.

For each of his feature films he received 80,000 marks. Goebbels had a 51 percent financial share in most of the feature films, Harlan added.—Reuter.

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